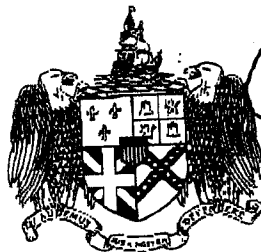


OFFICE OF THE GOVERNOR

DON SIEGELMAN
GOVERNOR

STATE OF ALABAMA

May 10, 2001

ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRSNICK D. BAILEY
DIRECTOR

Ms. Anna Goddard, Regional Administrator
USDOL/Employment and Training Administration
Region III
Atlanta Federal Center
61 Forsyth Street, S.W., Room 6M12
Atlanta, Georgia 30303

Dear Ms. Goddard:

RE: Alabama's Request for a Waiver (Program Year 2000 only) of the Workforce Investment Act's
80 Percent Obligations Requirement

As you're aware, the Alabama Department of Economic and Community Affairs-Workforce Development Division requested (on March 30, 2001) a waiver of the above-referenced requirement. Subsequent to that request, there has been a great deal of discussions between staff in your office and Workforce Development Division staff. It has now come to my attention that the USDOL Office in Washington would like to have more detailed information regarding the requested waiver.

Alabama was not an early implementor of the Workforce Investment Act (WIA); and in fact, was granted a waiver until March 31, 2001 on submittal of the official Job Training Partnership Act (JTPA) Closeout Package. Thus, we were simultaneously trying to implement the WIA and closeout the JTPA program. The State of Alabama is divided into three local workforce investment areas (LWIAs). The largest area is a balance-of-state 65 county area, which is a State administered LWIA. Obligations in this area, which comprises 65 of the State's 67 counties, either make or break the State's obligations, expenditures of funds. There was not a WIA Youth Council in place to review, recommend, etc. youth programs until September 8, 2000. Therefore, no youth programs could be funded. This Council met for the first time on October 25, 2001. Since that time, there have been more meetings and some youth programs have been recommended for funding via the request-for-proposal process and local board approval. However, the full allocation has not been contractually obligated at this point. The other two areas have also experienced some difficulty in obligation of funds due to such issues as a change in administrative entities in one local area, substantial staff changes in one area (limited number of trained staff), etc.

The two WIA funds that are of concern are the youth and adult funds. Actions are currently underway to ensure the proper utilization of those funds in accordance with the Act and its implementing regulations.

Ms. Goodard
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We may meet and/or exceed the minimum 80 percent obligation level for all three funding streams, adult, youth, and dislocated worker. However, we think it is more prudent to obligate these funds in a timely manner.

In regard to the balance-of-state local workforce investment area, it appears from a review of the WIA's Implementing Regulations at 20 CFR660.300 and 20 CFR667.150(d) that the State's allocation of funds to the balance of state LWIA may be considered by the Grant Officer as an obligation in regard to the application of the criteria for reallocation contained in 20 CFR667.150. We would appreciate an official interpretation of these referenced sections of the WIA Regulations in your response to this request.

Hopefully, the aforementioned information will satisfy USDOL's questions. We also understand that at least one other state in Region III has requested a waiver.

Thank you for your consideration of this request. If you have any questions and/or need additional information, please contact Bill Hornsby, Supervisor, State Programs and Divisional Budget Management Section at (334) 242-5847.

Sincerely,



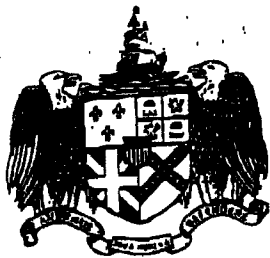
Nick D. Bailey
Acting Director

NDB:BEH:sad

cc: Muslimah Abdullah
Mickey Hutto
Robert Lunsford
Sydney Raine
Sims Dunlap

OAS

H.G.
Dietrich



STATE OF ALABAMA

ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS

NICK D. BAILEY
DIRECTOR

OFFICE OF THE GOVERNOR

DON SIEGELMAN
GOVERNOR

March 30, 2001

Mr. E. Fred Tello, Grant Officer
USDOL/Employment and Training Administration
Division of Federal Assistance, Room S-4203
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Mr. Tello:

RE: Obligation of Workforce Investment Act (WIA) Program Year 2000 Funds

We note the WIA Regulations, at 20 CFR 667.150(c), indicate "... The Secretary reallots youth, adult, and dislocated worker funds among eligible States in accordance with the provisions of WIA sections 127(c) and 132(c), respectively ..."

Both WIA section 127(c)(2) and WIA section 132(c)(2) state "... the amount available for reallocation for a program year is the amount equal to the amount by which the unobligated balance of the State allotment ... exceeds 20 percent of such allotment for the prior program year. ..."

Alabama may have some difficulty in achieving the eighty-percent obligation level for certain of our State and substate - level Program Year 2000 WIA funds.

As you might well expect, Program Year 2000 programs have encountered some difficulties associated with program design, contracting, and fund availability aspects of WIA which, collectively, represent a significant departure from the Job Training Partnership Act. Our staffs have been tasked with simultaneously achieving working familiarity with the intricacies of new operational systems while still conducting day-to-day business. Much has been achieved toward these ends. Our people are doing a good job. However, there are limits to what can reasonably be expected.

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